

TOWN OF MADISON - PUBLIC NOTICE

The Inhabitants of the Town of Madison are hereby notified of a public meeting,  
The time, place and purpose of which are as follows:

**Minutes**  
**BOARD OF SELECTMEN**  
**OLD POINT AVENUE FACILITY, 108 OLD POINT AVENUE, MADISON**  
**Thursday, September 4, 2014**  
**6:30 p.m.**

- A. Salute to the flag. Done.
- B. Roll Call. Present were Albert Veneziano, Jack Ducharme, Cyp Johnson, Paul Fortin and Mike Ederly.
- C. New Business.
  - 1. Discuss plan to mitigate the impact of MPI lower valuation on the property tax mil rate. Town Manager Berry showed a slide show regarding the Special Town Meeting to discuss changes to the town tax rate. Town Manager reviewed the spreadsheet titled Town of Madison Proposed Loan Payback Schedule Assumes No Legislative Relief. It shows borrowing up to \$2.5 million and equalizing the estimated mil rate from tax years 2014 to 2021 to between 19 mils and 20 mils eventually ending up at 18 mils. He proposes establishing a revolving loan in that we would have the ability to borrow up to \$2.5 million but we would not borrow unless we've drawn down the checking account. If we draw from the credit, we can pay it back as soon as there's money in the account. He recommends that the Board consider this as a backstop. Selectman Ducharme questioned an estimated increase in the tax base as proposed in the spreadsheet. Town Manager said it is a new substation on the East Madison Road which is now under construction. This sheet also accounts for some inflation in county taxes, some possible inflation in schools to be phased in with a reduction in state valuation and with the municipal budget staying about the same for the next several years. Selectman Fortin asked about the interest rate. Town Manager said it was a fixed rate – he hasn't been told otherwise.

The next item is the possible savings from the 2014 – 2015 budget. Town Manager discussed the road surface management plan. He had in the budget \$175,000 for Heald Street for 2014-215 (doing a portion of the road), do the same in 2015/2016 and do Heald Street with Sanitary District in 2015/2016. Town Manager recommends delaying it this year. He Board agreed.

Ingalls Street – the Board approved carry overs from last year for this project. It went out for bid. Low bid was Merle Lloyd & Sons of Anson for \$366,750 which includes road work, storm drains and sanitary. The way the Town and Sanitary split it out was by percentage. The road work would come out to 37% or \$135,697.50; the storm drains would be 29% or \$106,357.50; and the sanitary district would be 34% - \$124,695 for a total of \$366,750. Sanitary District is willing to carry the storm drains (we initially pay for the storm drains and turn them over to sanitary for maintenance) so that we can flat line our Sanitary District line in our budget at \$55,000 for three years. We carried forward \$224,135 from last year – from that Boardman Road and Madison Avenue expenses have been deducted leaving a balance of \$159,135 for road work as noted above. Town Manager recommends awarding the contract on Ingalls Street. Selectman Ducharme made a motion to award the Ingalls Street reconstruction project to Merle L Lloyd & Sons for the amount of \$366,750 using the carryover balance including doing this in conjunction with the Sanitary District as is outlined. Selectman Fortin seconded. Selectman Ducharme asked about the timing? Town Manager's understanding is that we can rebuild it and get the base coat down this fall and do the finish coat next year. Motion carried.

Out of Capital, Town Manager has taken \$202,700 that we would not spend this year for capital. Town Manager met with department heads and took 3% out of our operating budget: Administration - \$19,500; Police - \$17,000; Highway - \$19,500; Parks & Rec - \$2,500; Fire - \$3,500; Other Government

– \$7,500; Community Service - \$1,200, a possible total savings of \$74,100. Both capital and operating savings is a total of \$276,800.

Town Manager Berry talked about TIFs. If we took \$285,000 out of TIF, that would equate to about \$15,000,000 in valuation which would hit us in year 3. Investing \$285,000 in one year from TIF would cost us over years three, four and five, \$168,000 to use. There may be some possibility of getting some legislative relief. Selectman Fortin said that he thought the people in Augusta would vote in the affirmative to help with the TIF funds for three years without penalty. Our local legislators have been invited to attend the Board of Selectmen's Monday night meeting. Any penalty will not be assessed for two years so we have some time to get that waiver.

2. Develop warrant articles for Town Meeting. Town Manager passed out a copy of an article to take to Town Meeting regarding the line of credit. This article would have a 7 year maturity date. Selectman Fortin asked the public if a mil rate of 20 was acceptable. Revaluing the mill was discussed. The cost could be \$200,000. The cost to revalue the Town was discussed. The School Superintendent said that he and the Chair and Vice Chair talked about not utilizing the \$255,000 for the purchase of buses and paying that out of their own undesignated fund balance because the end of year is slightly over what he had anticipated. To get this approved, they would have to go to a Town Meeting to get it approved and go to a referendum vote. This has not gone before the full board as yet. In addition to that, they are going into a negotiation year for all three of their associations. They are looking to negotiate with the idea of trying to save money for the community. Selectman Edgerly asked if it could go onto the Special Town Meeting Warrant. Selectman Fortin thought with a mil rate of 20, we might be able to get through this year. He would like to have the ability to work the surplus down to zero if necessary to work through the year and also to use the capital. To do this, we would need to have a line of credit to borrow against briefly. Selectman Ducharme thought that establishing a line of credit in the amount of \$2.5 million is not inappropriate given the size of the expenditures that we often occur. The nice thing about a line of credit is that it doesn't cost you a lot of money to have it unless you borrow against it but it's there as a cushion. Selectman Ducharme made a motion to do a line of credit if it is available to us subject to bank approval for \$2,500,000. Selectman Johnson seconded. Selectman Fortin would like to change the mil rate from .0015 to .0025 or (\$2.50 per thousand). Selectman Ducharme amended his motion to include in #3 to say not to exceed an increase in the tax rate from 2013 of more than .0025. Selectman Johnson seconded. Motion carried to amend the motion. The motion as amended was carried. This will become article 2.

Selectman Ducharme made a motion to add article 3 to see if the Town will vote to take \$500,000 from undesignated fund balance to help reduce taxes. Selectman Johnson seconded. Superintendent LeRoy said he would ask his Board at their September meeting to go to referendum on spending the \$255,000. Selectman Fortin suggested we bring the surplus up to \$1,000,000 (add in the \$300,000 in budget reduced spending and the buses). Selectman Ducharme made a motion to amend the motion to take \$800,000 from undesignated fund balance. Selectman Johnson seconded. Motion carried to amend the motion. The motion as amended was carried.

Selectman Johnson made a motion to take \$500,000 from the TIF account to help reduce taxation. Town Manager clarified the motion to take \$500,000 from Tax Increment Financing fund and place it into the general fund to help reduce taxes. Selectman Johnson said that was correct. Selectman Fortin seconded. Motion carried.

Superintendent LeRoy suggested that the slide show also include more information about the mil rate and about the TIF fund.

Selectman Fortin made a motion to add one more article to the warrant and that is to direct the Town Manager to get legal assistance to write an article that would essentially give duties and powers of the Board of Assessors over to the Selectmen and do away with the Board of Assessors. Selectman Johnson seconded. Town Manager suggested another way to look at abolishing the Board of

Assessors might be to increase the size of the Board of Assessors from three to five and include in those Board of Assessors one of those five members being a representative of the Board of Selectmen. Motion is denied – Selectman Ducharme, Selectman Edgerly and Selectman Veneziano opposing.

Town Manager said there's a young man who has MS and there are some efforts to raise money. There will be bows on Main Street and the Park fence September 19<sup>th</sup> and 20<sup>th</sup> in support of that. They're going to have a walk and some other fund raisers that day.

D. Selectmen's Concerns. There was none.

E. Citizen's Concerns. Police Chief Moores stated that the Board is concerned that we only want pre-marked police cars and our rotation for pre-marked police cars is going to cost \$5,000 this year because we're not going to be able to take the equipment out of one vehicle and put it on the other. We'll have to buy another light bar and computer system and that kind of stuff. Is the Board interested in spending the additional \$5,000 for this transfer of an vehicle. Selectman Fortin made a motion to hold off on doing that for this particular vehicle. Selectman Johnson seconded. The Chief said to maintain three marked cars, we're going to have an additional \$5,000 cost to do this. Selectman Ducharme asked if he took the light bars and the cages, could we leave the stickers on the side. We were looking for presence, making sure people knew there were cruisers in places. Motion carried.

F. Adjournment. Selectman Ducharme made a motion to adjourn. Selectman Johnson seconded. The meeting adjourned at 8:43 p.m.